

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA – AMENDED

FINANCE AND BUDGET COMMITTEE

Tuesday, December 12, 2023, No Sooner Than 9:45 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Jack White Jr., Chairman; Leslie C. Williams, Vice Chairman; and Nick Brown, Randy Miller, Krista O'Brien, Stephen Williams, and Keith Woods

Call to Order
Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIRMAN JACK WHITE JR.
 - Request for approval of the minutes for the meeting of November 16, 2023.
2. General Electric (GE) Major Maintenance Parts Agreement Extension KEVIN NIELSEN

Request for approval to extend the Major Maintenance Parts Agreement with GE for an additional seven years.
3. Review of SRP's Investment Portfolio of Working Capital and Debt Reserve Investments..... JASON RIGGS
4. Town of Gila Bend Support ANNE RICKARD

Informational presentation regarding SRP's contribution of \$519,530 from SRP's Power Systems' operating budget to the Town of Gila Bend for the purchase of a new commercial pumper fire truck.
5. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT
6. Future Agenda Topics..... CHAIRMAN JACK WHITE JR.

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT FINANCE AND BUDGET COMMITTEE MEETING
IS SCHEDULED FOR THURSDAY, JANUARY 25, 2024

12/08/2023

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

November 16, 2023

A meeting of the Finance and Budget Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 11:06 a.m. on Thursday, November 16, 2023, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were J.M. White Jr Chairman; L.C. Williams Vice Chairman; and N.R. Brown, R.J. Miller, K.H. O'Brien, S.H. Williams, and K.B. Woods.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members R.C. Arnett, K.J. Johnson, A.G. McAfee, K.L. Mohr-Almeida, M.V. Pace, L.D. Rovey, and P.E. Rovey; Council Vice Chairman J.R. Shelton; Council Liaison P.A. Van Hofwegen; Council Members M.L. Farmer, and M.R. Mulligan; Mmes. I.R. Avalos, M.J. Burger, A.P. Chabrier, L.F. Hobaica, L.A. Meyers, G.A. Mingura, K.S. Ramaley, and C.M. Sifuentes; Messrs. D.B. Bearden, T. Cooper, D.W. Dreiling, J.M. Felty, C.N. Hunter, R.T. Judd, B.J. Koch, K.J. Lee, A.J. McSheffrey, R.T. Mueller, M.J. O'Connor, B.A. Olsen, J.M. Pratt, B.G. Shoemaker, and R.R. Taylor; Wardah Abbasi of NextEra Energy, Inc.; and Ian Calkins of Copper State Consulting Group.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, November 14, 2023.

Chairman J.M. White Jr called the meeting to order.

Consent Agenda

Chairman J.M. White Jr requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member S.H. Williams and seconded by Vice Chairman L.C. Williams, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- A. Minutes of the Finance and Budget Committee meeting on September 21, 2023, as presented
- B. Approval of the District and Association Monthly Cash Statement for October 2023

C. Request for Approval of the Quarterly Cash Statement for Period Ending October 31, 2023 (Association)

Corporate Secretary J.M. Felty polled the Committee Members on Board Member S.H. Williams' motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and N.R. Brown, R.J. Miller, K.H. O'Brien, S.H. Williams, and K.B. Woods	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Copies of the handouts distributed are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Multi- Year Membership with the Electric Power Research Institute (EPRI)

Using a PowerPoint presentation, Chico N. Hunter, SRP Manager of Innovation and Development, stated that the purpose of the presentation was to request approval to enter into a new three-year Electric Power Research Institute (EPRI) membership agreement that will cover membership for 2024 through 2026. He stated that SRP has been a member since EPRI's inception in 1973 and that the EPRI program supports SRP's strategic direction, which includes carbon emission reductions, customer and grid enablement, and retail prices in the lowest quartile. Mr. C.N. Hunter reviewed the current key EPRI projects as follows; the EPRI Low-Carbon Resources Initiative (LCRI); Long Duration Energy Storage; and Distribution Enablement Test Lab.

Mr. C.N. Hunter stated that the membership would include the following: a 3-year commitment with a 35% discount from standard EPRI costs; all committed funds will apply to research programs; and additional programs purchased by SRP will be included in annual budget requests. He reviewed the potential termination costs as follows: a \$750,000 penalty fee for underfunding the annual commitment; and the annual commitment for that year plus \$750,000 for early termination.

Mr. C.N. Hunter concluded with Management's request for approval to authorize the General Manager and Chief Executive Officer or the Associate General Manager and Chief Planning, Strategy, and Sustainability Executive to execute a multi-year membership agreement with EPRI and any subsequent amendments to said agreement that do not materially modify the economic terms of the agreement.

Mr. C.N. Hunter responded to questions from the Committee.

On a motion duly made by Vice Chairman L.C. Williams, seconded by Board Member S.H. Williams and carried, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Vice Chairman L.C. Williams' motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and N.R. Brown, R.J. Miller, K.H. O'Brien, S.H. Williams, and K.B. Woods	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Member R.C. Arnett left the meeting during the presentation.

Cable TV and Telecommunications Pole Attachment Fees

Using a PowerPoint presentation, Brandon G. Shoemaker, SRP Manager of Predictive Pricing, stated that the purpose of the presentation was to request approval to increase the Cable TV and Telecommunications pole attachment fees from the current level of \$22.95 to \$25.16 per attachment per year.

Mr. B.G. Shoemaker stated that if approved, the proposed annual revenue would be \$1,109,690. He discussed the background relating to Cable TV and Telecommunications pole attachment fees and how calculations are based on the Federal Communications Commission (FCC) formula.

Mr. B.G. Shoemaker presented an Attachment Fee Calculation chart reflecting adjustments from the current \$22.95 level for Cable TV and Telecommunications pole attachment fees. He stated that letters were mailed to all affected customers regarding the proposed change, as well as notification of the November Finance and Budget Committee Meeting, and stated that no comments have been made to date.

Mr. B.G. Shoemaker reviewed a schedule for the 2024 Cable TV and Telecommunications pole attachment fees and concluded with Management's recommendation for approval of the increase to the Cable TV and Telecommunications pole attachment fees from \$22.95 to \$25.16 per pole attachment, effective January 1, 2024.

Mr. B.G. Shoemaker responded to questions from the Committee.

On a motion duly made by Board Member S.H. Williams, seconded by Board Member R.J. Miller and carried, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member S.H. Williams' motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members J.M. White Jr., Chairman; L.C. Williams, Vice Chairman; and N.R. Brown, R.J. Miller, K.H. O'Brien, S.H. Williams, and K.B. Woods	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Copies of the handout distributed and the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Mr. T. Cooper, Wardah Abbasi of NextEra Energy, Inc., and Ian Calkins of Copper State Consulting Group left the meeting during the presentation.

Renewable Energy Credit (REC) Program

Using a PowerPoint presentation, Daniel W. Dreiling, SRP Director of Customer Programs, stated that the purpose of the presentation was to provide information regarding plans to launch a new REC program for SRP's existing large and strategic business customers.

Mr. D.W. Dreiling said that Fiscal Year 2024 (FY24) Corporate Objective includes implementing a REC supply option for large and strategic customers by December 31, 2023 to complement SRP's Solar Choice offering. He highlighted that the REC program will be responsive to customers' desire for a "green" future; meet their environmental goals and solar resources; and further SRP's commitment to renewable energy, while maintaining reliability and affordability.

Mr. D.W. Dreiling detailed aspects of the program offering, program terms, and REC counterparty contracts. He concluded with a discussion of next steps.

Mr. D.W. Dreiling responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Member L.C. Williams; and Mr. R.T. Judd left the meeting during the presentation.

Trade Limits for Renewable Energy Certificates (RECs)

Using a PowerPoint presentation, Russell T. Mueller, SRP Director of Energy Risk Management, stated that the purpose of this presentation was to request approval to increase trade authorizations for RECs. He explained that RECs are market-based instruments that represent the renewable attributes of energy generated by a renewable/green energy source and can be bought and sold in the open marketplace.

Mr. R.T. Mueller discussed the recent developments with respect to the REC market and current trading limits. He reviewed proposed increases to REC limits based on current market prices allowing for market movement and/or expected program expansion. He said that trading limits will continue to be monitored by Energy Risk Management (ERM) and SRP's Risk Oversight Committee (ROC).

Mr. R.T. Mueller concluded by requesting approval to increase REC trading limits as follows: 1) ROC level approval from six years at \$1 million to six years at \$30 million; 2) Executive Management level approval from three years at \$750,000 to three years at \$22.5 million; and 3) staff level approval from two years at \$500,000 to two years at \$15 million.

Mr. R.T. Mueller responded to questions from the Committee.

On a motion duly made by Board Member S.H. Williams, seconded by Board Member K.B. Woods and carried, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member S.H. Williams' motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members J.M. White Jr., Chairman; and K.H. O'Brien, S.H. Williams, and K.B. Woods	(4)
NO:	Board Members N.R. Brown and R.J. Miller	(2)
ABSTAINED:	None	(0)
ABSENT:	Board Member L.C. Williams, Vice Chairman	(1)

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Messrs. C.N. Hunter and M.J. O'Connor left the meeting during the presentation.

Energy Risk Management (ERM) Update

Using a PowerPoint presentation, Mr. R.T. Mueller stated that the purpose of the presentation was to provide information regarding ERM activities, including the following: an overview of commodity prices (natural gas/electricity); summary of retail natural gas hedging requirements and current hedge levels; current gas transportation under contract and expected incremental needs; wholesale credit exposure summary; and Board-approved aggregate financial limits and existing financial positions.

Mr. R.T. Mueller reviewed the on-peak electricity prices for Palo Verde from May 2021 to November 2023 and changes in Palo Verde on-peak prices since 2022. He provided an overview of natural gas prices for the Permian and San Juan Basins from May 2021 to November 2023 and changes in San Juan Basin natural gas prices since 2022.

Mr. R.T. Mueller provided an example of recent natural gas price volatility in San Juan Basin from April 2023 to November 2023. He reviewed the expected requirements and levels of the retail natural gas hedging plan for Financial Plan 2024 (FP24).

Mr. R.T. Mueller discussed the credit exposure to counterparties by credit rating. He concluded with discussion of aggregate financial limits for electricity, natural gas, unleaded gas, diesel, and greenhouse gas and emissions compliance instruments.

Mr. R.T. Mueller responded to questions from the Committee.

Copies of the handout distributed and the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Messrs. D.B. Bearden and D.W. Dreiling left the meeting during the presentation. Ms. A. Rickard entered the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

Jim M. Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chairman J.M. White Jr asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Finance and Budget Committee, the meeting adjourned at 11:58 a.m.

John M. Felty
Corporate Secretary



Request for Approval to Enter into a Major Maintenance Parts Agreement Extension

Finance & Budget Committee

Kevin Nielsen, Sr. Director, Power Generation

Background

Major Maintenance Parts Agreement: Sets pricing for parts and services for major GE equipment in SRP’s gas generation fleet excluding LM6000 units.

Previous Versions:

Year	Purchase Volume	Term of Agreement
2009	\$65M	6 years
2014	\$81M	10 years
2018	\$95M	7 years

MMP Proposed Terms

- Term of agreement: 9 years
- Anticipated purchase volume: \$153.3M (includes 8 gas turbine rotors)
- Fee to Terminate for Convenience: 7% of unspent quantity less cost of rotors, ($\$153.3 - \$85.8 = \$67.5\text{M}$) * 7%.
- Plants covered: Santan, Kyrene, Mesquite, Desert Basin, Gila River.
- Price sheet for specific capital parts

Note: SRP is not obligated to purchase these parts from GE. We competitively bid and look for savings beyond this agreement.

MMP Proposed Terms

- Repair Services: 20% discount
- Non Capital Parts: 25% discount
- Field Services: 30% discount
- Additional Services: Contract Performance Manager (2), Performance Monitoring Services
- Inflation Increase: 2% per year

Recommendation

In accordance with the terms discussed herein, request Board authorization for the Associate General Manager & Chief Power System Executive or his designee, to execute:

- A Major Maintenance Parts Agreement Extension
- Any subsequent amendments to such agreement that do not materially modify the terms of the agreement.

thank you!

Combined District Investments

As of 12/05/2023

Number	Maturity	Type	Description	Yield	Principal	Cost Basis
1	12/5/2023	Money Market Fund	Dreyfus Government Cash Management MMF	5.24	\$ 195,000,000.00	\$ 195,000,000.00
2	12/5/2023	Money Market Fund	Federated Government Obligations Premier Fund	5.27	\$ 186,000,000.00	\$ 186,000,000.00
3	12/5/2023	Money Market Fund	BlackRock FedFund Government MMF	5.25	\$ 125,000,000.00	\$ 125,000,000.00
4	12/5/2023	Money Market Fund	BlackRock FedFund Government MMF	5.25	\$ 154,370,837.69	\$ 154,370,837.69
5	12/5/2023	Money Market Fund	First American Gov't MMF	5.25	\$ 819,340.00	\$ 819,340.00
6	12/5/2023	Money Market Fund	Fidelity Government Portfolio Institutional MMF	5.28	\$ 5,000,000.00	\$ 5,000,000.00
7	12/5/2023	Money Market Fund	Fidelity Government Portfolio Institutional MMF	5.28	\$ 85,259,041.26	\$ 85,259,041.26
8	12/5/2023	Money Market Fund	Fidelity Government Portfolio Institutional MMF	5.28	\$ 155,091,977.68	\$ 155,091,977.68
9	12/5/2023	Money Market Fund	Fidelity Government Portfolio Institutional MMF	5.28	\$ 113,929,999.76	\$ 113,929,999.76
10	12/5/2023	Money Market Fund	Goldman Sachs Financial Square Government Fund	5.26	\$ 176,000,000.00	\$ 176,000,000.00
11	1/1/2024	Municipal Bond	Water Works of Birmingham AL 01/01/24, 0.57%	0.57	\$ 1,250,000.00	\$ 1,250,000.00
12	1/12/2024	Corporate Bond	Protective Life 01/12/24, 0.473%	4.96	\$ 10,000,000.00	\$ 9,445,000.00
13	3/15/2024	Municipal Bond	New York State Urban Development Corp 03/15/24, 2.88%	3.45	\$ 3,500,000.00	\$ 3,470,040.00
14	3/15/2024	Municipal Bond	New York State Urban Development Corp 03/15/24, 2.88%	3.45	\$ 6,500,000.00	\$ 6,444,360.00
15	3/25/2024	Corporate Bond	Northwestern Mutual Global Funding 03/25/24, 0.60%	5.02	\$ 10,000,000.00	\$ 9,583,320.00
16	6/1/2024	Municipal Bond	Louisiana State Insurance Corp 06/01/24, 2.64%	3.05	\$ 9,015,000.00	\$ 8,941,077.00
17	6/30/2024	Municipal Bond	Oregon Education Districts 06/30/24, 0.592%	0.59	\$ 2,500,000.00	\$ 2,500,000.00
18	7/1/2024	Municipal Bond	City of Houston Tx Airport System 7/1/24, 1.272%	2.45	\$ 5,445,000.00	\$ 5,304,845.70
19	7/15/2024	Municipal Bond	NYC Transitional Finance Authority 7/15/24, 0.64%	2.60	\$ 2,300,000.00	\$ 2,201,008.00
20	7/19/2024	Government Agency	FFCB 07/19/24, 0.42%	0.51	\$ 15,000,000.00	\$ 14,985,000.00
21	7/22/2024	Government Agency	FHLMC 07/22/24, 0.51%	0.45	\$ 15,000,000.00	\$ 15,000,000.00
22	8/1/2024	Municipal Bond	Santa Clara California 08/01/24, 2.00%	0.45	\$ 10,000,000.00	\$ 10,460,900.00
23	9/15/2024	Municipal Bond	University of Pittsburgh 09/15/24, 2.877%	3.10	\$ 6,200,000.00	\$ 6,170,426.00
24	10/1/2024	Municipal Bond	State of Texas Public Finance Authority 10/01/24, 0.794%	0.79	\$ 3,000,000.00	\$ 3,000,000.00
25	10/28/2024	Government Agency	FHLB 10/28/24, 0.43%	0.44	\$ 15,000,000.00	\$ 14,994,000.00
26	10/29/2024	Government Agency	FHLB 10/29/24, 0.25% Step-Up	0.25	\$ 15,000,000.00	\$ 15,000,000.00
27	11/12/2024	Corporate Bond	Equitable Financial Life 11/12/24, 1.10%	5.18	\$ 7,525,000.00	\$ 6,940,307.50
28	11/12/2024	Corporate Bond	Equitable Financial Life 11/12/24, 1.10%	4.95	\$ 2,000,000.00	\$ 1,863,892.41
29	12/30/2024	Government Agency	FHLB 12/30/24, 5.40%	5.21	\$ 5,000,000.00	\$ 5,017,500.00
30	1/10/2025	Corporate Bond	John Deere Capital Corp 01/10/25, 1.25%	5.28	\$ 10,000,000.00	\$ 9,569,390.00
31	3/28/2025	Corporate Bond	Citigroup Global Markets 03/28/25, 5.60%	5.60	\$ 10,000,000.00	\$ 10,000,000.00
32	4/23/2025	Corporate Bond	National Securities Clearing 04/23/25, 1.50%	4.56	\$ 10,000,000.00	\$ 9,333,400.00
33	5/2/2025	Government Agency	FHLMC 05/02/25, 0.46%	0.46	\$ 5,000,000.00	\$ 5,000,000.00
34	6/3/2025	Corporate Bond	Amazon.com Inc 06/03/2025, 0.80%	5.35	\$ 10,000,000.00	\$ 9,275,000.00
35	6/24/2025	Corporate Bond	Pacific Life Global Funding 06/24/25, 1.20%	5.50	\$ 10,000,000.00	\$ 9,316,300.00
36	8/15/2025	Corporate Bond	Union Pacific Corp 08/15/23, 3.25%	5.20	\$ 10,000,000.00	\$ 9,684,141.18
37	8/25/2025	Government Agency	FHLMC 08/25/25, 3.50%	3.53	\$ 2,000,000.00	\$ 2,000,000.00
38	9/15/2025	Corporate Bond	National Rural Utilities Co-op 09/15/25, 5.10%	5.10	\$ 10,000,000.00	\$ 10,000,000.00
39	11/10/2025	Corporate Bond	Pepsico 11/10/25, 5.25%	5.05	\$ 10,000,000.00	\$ 10,036,340.00
40	12/10/2025	Corporate Bond	Guardian Life Global Funding 12/10/25, 0.875%	5.73	\$ 10,000,000.00	\$ 8,997,000.00
41	1/6/2026	Corporate Bond	Met Life Global Funding 01/06/26, 5.00%	5.35	\$ 10,000,000.00	\$ 9,926,500.00
42	2/27/2026	Government Agency	FHLB 02/27/26, 2.00%	2.01	\$ 1,350,000.00	\$ 1,350,000.00
43	4/2/2026	Corporate Bond	New York Life Global Funding 04/02/26, 4.70%	5.52	\$ 10,000,000.00	\$ 9,813,820.00
44	4/6/2026	Government Agency	FHLB 04/06/26, 2.60%	2.67	\$ 2,000,000.00	\$ 1,996,000.00
45	4/28/2026	Government Agency	FHLB 04/28/26, 0.70%	0.70	\$ 10,000,000.00	\$ 10,000,000.00
46	4/28/2026	Government Agency	FHLMC 04/28/26, 1.00%	1.00	\$ 1,000,000.00	\$ 1,000,000.00
47	7/30/2026	Government Agency	FHLMC 07/30/26, 0.80%	0.80	\$ 2,000,000.00	\$ 2,000,000.00
48	10/1/2026	Municipal Bond	State of Texas 10/01/26, 5.272%	5.27	\$ 3,000,000.00	\$ 3,000,000.00
49	10/29/2026	Government Agency	FHLB 10/29/26, 0.60%	0.60	\$ 2,745,000.00	\$ 2,745,000.00
50	10/30/2026	Corporate Bond	Morgan Stanley Bank NA 10/30/26, 5.882%	4.98	\$ 10,000,000.00	\$ 10,235,700.00
51	11/25/2026	Government Agency	FHLB 11/25/26, 0.72%	0.74	\$ 2,180,000.00	\$ 2,178,256.00
52	7/28/2027	Government Agency	FHLB 07/28/27, 0.80%	0.80	\$ 1,250,000.00	\$ 1,250,000.00
53	10/20/2027	Government Agency	FFCB 10/20/27, 1.30%	1.32	\$ 1,525,000.00	\$ 1,523,475.00
54	11/19/2027	Government Agency	FHLMC 11/19/27, 1.00%	1.00	\$ 2,000,000.00	\$ 2,000,000.00
55	11/30/2027	Government Agency	FNMA 11/30/27, 0.75%	0.77	\$ 2,300,000.00	\$ 2,297,700.00
56	5/18/2028	Government Agency	FFCB 05/18/28, 1.20%	1.20	\$ 2,500,000.00	\$ 2,500,000.00
57	6/22/2028	Government Agency	FFCB 06/22/28, 1.05%	1.07	\$ 2,000,000.00	\$ 1,998,000.00
58	10/27/2028	Government Agency	FHLB 10/27/28, 1.00%	1.00	\$ 540,000.00	\$ 540,000.00
59	4/30/2029	Government Agency	FFCB 04/30/29, 1.50%	1.50	\$ 1,000,000.00	\$ 1,000,000.00
60	8/10/2029	Government Agency	FHLMC 08/10/29, 1.00%	1.00	\$ 2,000,000.00	\$ 2,000,000.00
61	12/7/2029	Government Agency	FHLMC 12/07/29, 1.10%	1.10	\$ 2,960,000.00	\$ 2,960,000.00
62	12/17/2029	Government Agency	FNMA 12/17/29, 1.20%	1.20	\$ 500,000.00	\$ 500,000.00
63	1/25/2030	Government Agency	FHLB 01/25/30, 1.25% Step-Up	2.17	\$ 1,460,000.00	\$ 1,460,000.00
64	4/25/2030	Government Agency	FFCB 04/25/30, 1.83%	1.84	\$ 2,675,000.00	\$ 2,674,331.25
65	4/29/2030	Government Agency	FFCB 04/29/30, 1.68%	1.68	\$ 3,500,000.00	\$ 3,500,000.00
66	6/11/2030	Government Agency	FFCB 06/11/30, 1.45%	1.45	\$ 2,500,000.00	\$ 2,500,000.00
67	12/2/2030	Government Agency	FHLB 12/02/30, 1.27%	1.27	\$ 2,500,000.00	\$ 2,500,000.00
68	1/13/2031	Government Agency	FFCB 01/13/31, 2.10%	2.12	\$ 935,000.00	\$ 934,532.50
69	1/28/2031	Government Agency	FHLB 01/28/31, 1.28%	1.28	\$ 1,000,000.00	\$ 1,000,000.00
70	8/11/2031	Government Agency	FFCB 08/11/31, 1.24%	1.24	\$ 2,000,000.00	\$ 2,000,000.00
71	1/26/2032	Government Agency	FHLB 01/26/32, 1.50% Step-Up	2.28	\$ 1,210,000.00	\$ 1,210,000.00
72	5/19/2032	Government Agency	FHLB 05/19/32, 1.68%	1.68	\$ 1,565,000.00	\$ 1,565,000.00
73	6/24/2032	Government Agency	FFCB 06/24/32, 1.50	1.50	\$ 2,060,000.00	\$ 2,060,000.00
74	8/12/2032	Government Agency	FHLMC 08/12/32, 1.25%	1.26	\$ 1,750,000.00	\$ 1,748,250.00
75	9/30/2032	Government Agency	FNMA 09/30/32, 1.30%	1.35	\$ 1,500,000.00	\$ 1,493,250.00
76	12/22/2032	Government Agency	FNMA 12/22/32, 1.25%	1.30	\$ 2,000,000.00	\$ 1,990,000.00
77	1/27/2033	Government Agency	FHLMC 01/27/33, 1.50%	1.50	\$ 2,000,000.00	\$ 2,000,000.00
78	6/8/2033	Government Agency	FHLB 06/08/33, 1.65%	1.65	\$ 1,800,000.00	\$ 1,800,000.00
79	7/14/2033	Government Agency	FHLMC 07/14/33, 1.55%	1.55	\$ 3,500,000.00	\$ 3,500,000.00
80	9/9/2033	Government Agency	FNMA 09/09/33, 1.35%	1.36	\$ 2,000,000.00	\$ 1,999,000.00
81	2/17/2034	Government Agency	FHLB 02/17/34, 1.65%	1.67	\$ 1,000,000.00	\$ 999,000.00
82	7/25/2034	Government Agency	FHLB 07/25/34, 2.45%	2.47	\$ 1,910,000.00	\$ 1,908,567.50
83	7/27/2034	Government Agency	FHLMC 07/27/34, 1.60%	1.60	\$ 2,000,000.00	\$ 2,000,000.00
84	5/14/2035	Government Agency	FFCB 05/14/35, 1.95%	1.95	\$ 2,500,000.00	\$ 2,500,000.00
85	6/11/2035	Government Agency	FHLB 06/11/35, 1.75%	1.75	\$ 1,500,000.00	\$ 1,500,000.00
86	1/14/2036	Government Agency	FHLB 01/14/36, 1.73%	1.74	\$ 1,000,000.00	\$ 1,000,000.00
87	2/22/2036	Government Agency	FHLB 02/22/36, 1.80%	1.82	\$ 1,200,000.00	\$ 1,198,800.00
88	2/25/2036	Government Agency	FFCB 02/25/36, 2.10%	2.12	\$ 900,000.00	\$ 899,550.00

Review of SRP Investment Portfolio of Working Capital and Debt Reserve Investments

Finance & Budget Committee
December 12, 2023

Why We're Here

Annual compliance review of total cash investment portfolio

- Investment Policy
 - Authorized limits and investment types
 - Portfolio metrics
- Compliance Statement

Cash Management Investment Policy Overview

Purpose

- To specify the policies and procedures that support the prudent and systematic investment of surplus funds

Scope

- Working capital and debt service funds

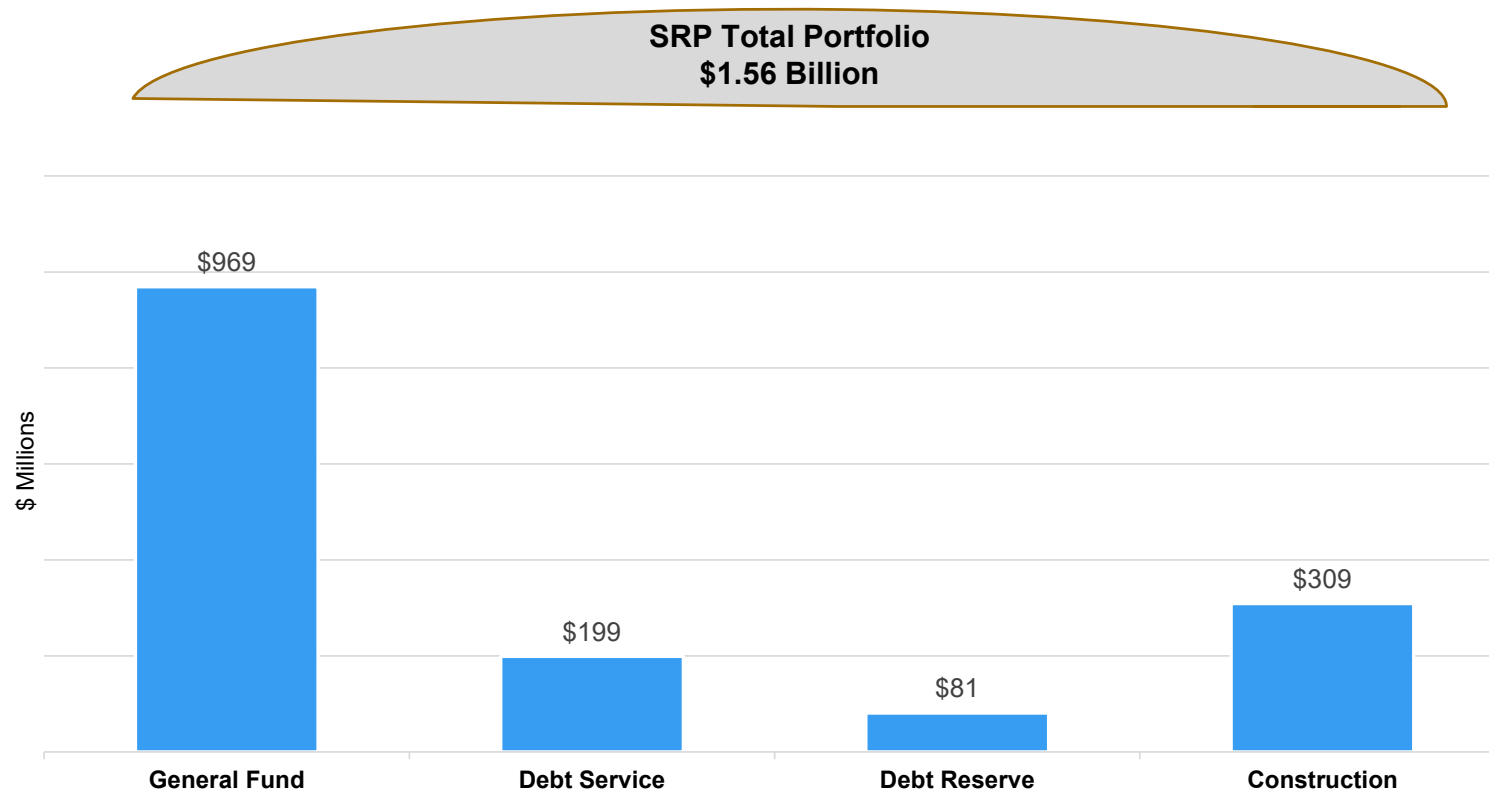
Objectives

- Capital Preservation
- Capital Liquidity
- Investment Yield

Standards of Care

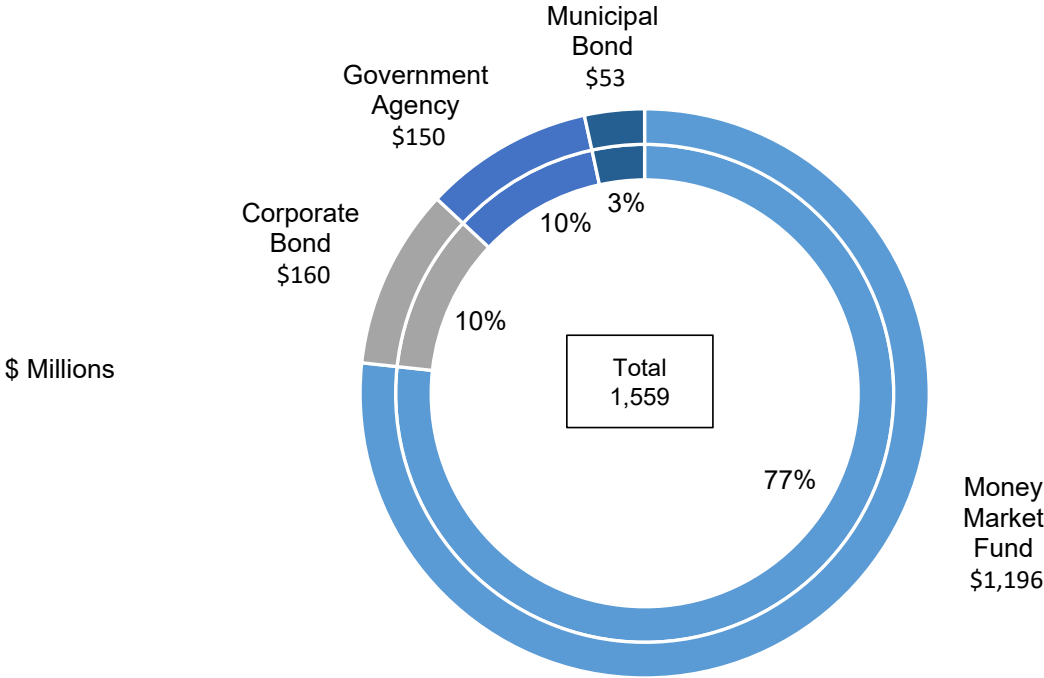
- Prudence
- Delegation of Authority
- Investment Procedures
- Internal Controls
- Ethics and Conflicts of Interest

Investment Portfolio: Fund Breakdown



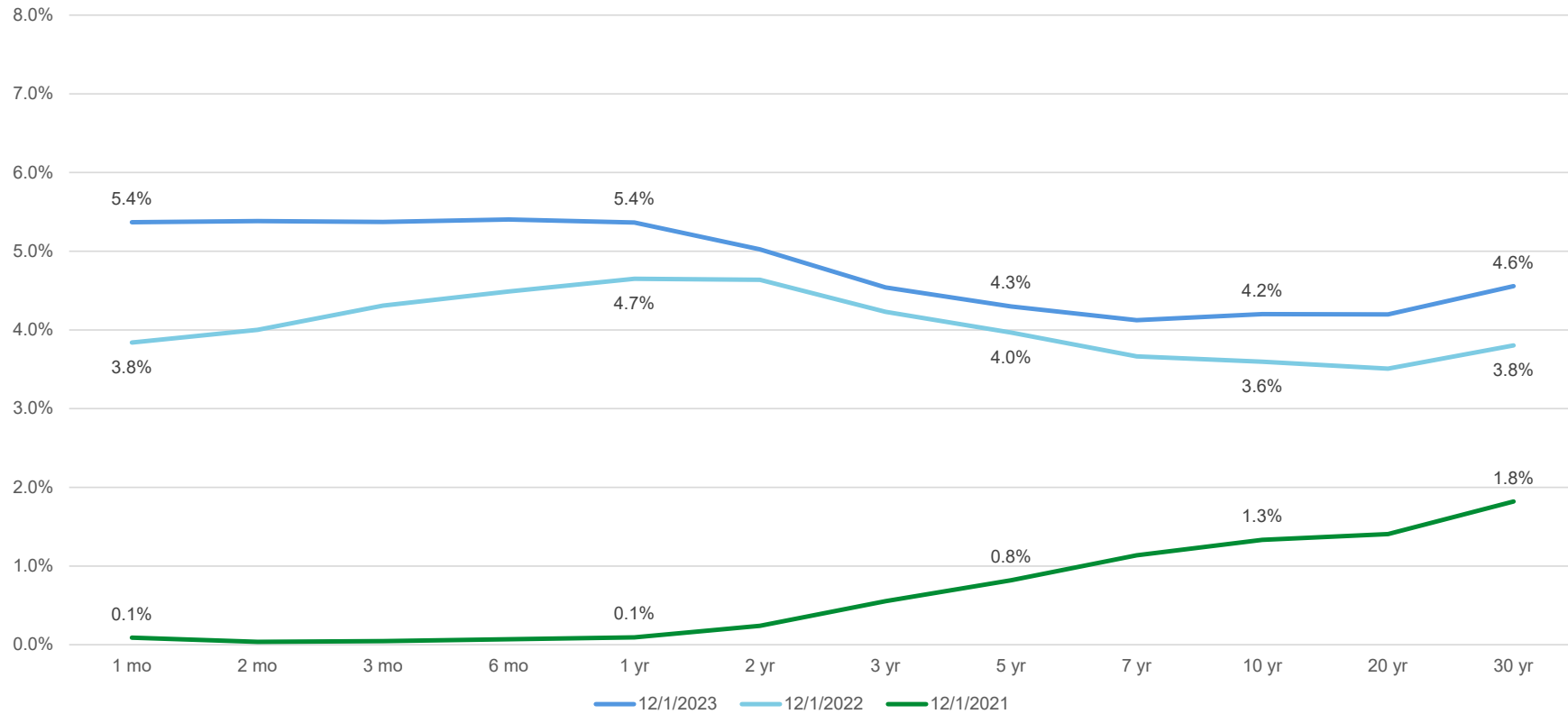
Investment Portfolio: Product Type

Total Portfolio by Product Type



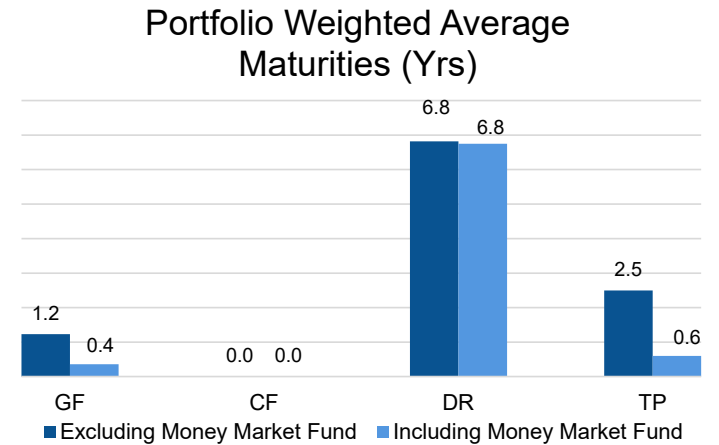
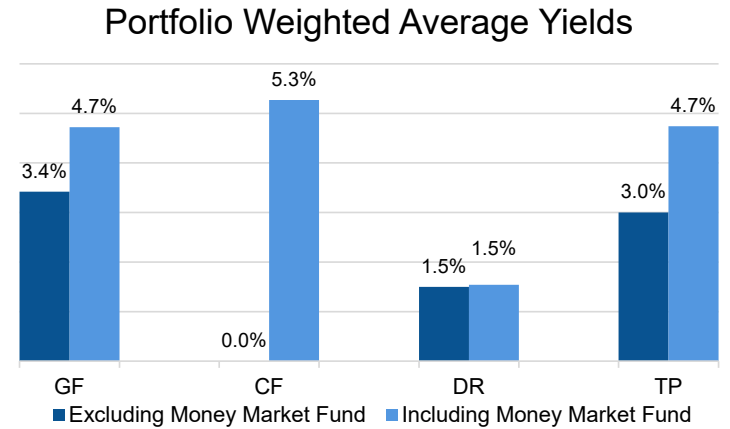
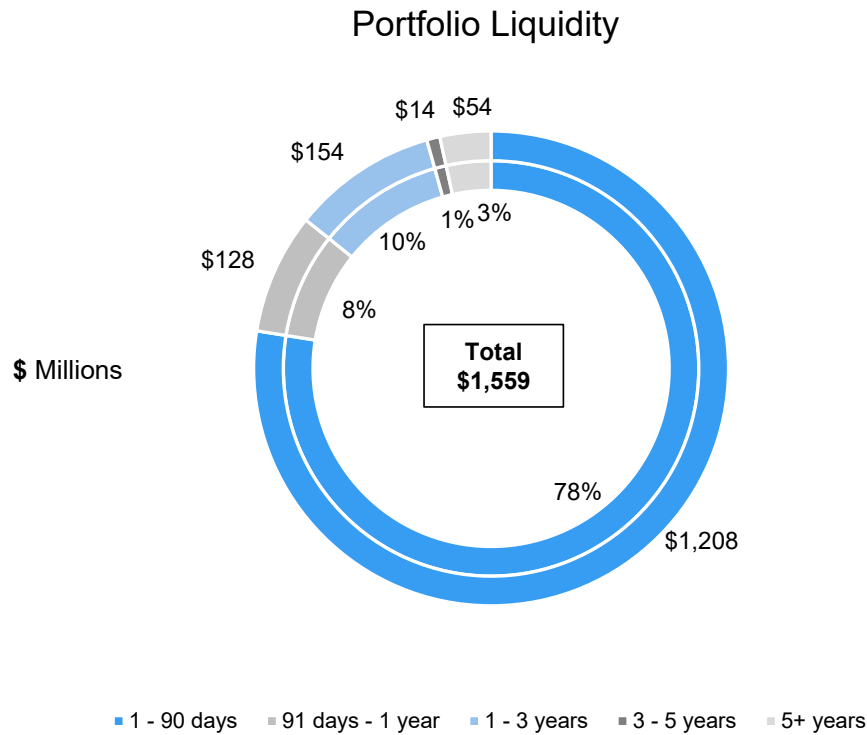
Yield Curve: Impacts Portfolio

Treasury Yield Curve - Historical and Current



Source: Bloomberg

Portfolio Metrics: Liquidity, Yields, Maturities



Investment Policy Statement of Compliance

The Investment Portfolio meets all of the credit, liquidity, maximum limits, security type, maximum maturity, prudence, controls, custody, and safety objectives the Policy requires.

Support for Gila Bend Community

Anne Rickard | Finance & Budget Committee | December 12, 2023

Purpose

- Informational presentation regarding support for Gila Bend Community
- Supports timely community need
- Increases safety at Gila River Power Station

SRP Community Support – Fire Truck

- Requested as a critical need in Gila Bend
- Provides increase safety at Gila River Power Station
- SRP to provide \$519,530 for the new commercial pumper fire truck
- Funding from SRP's Power System current operating budget

Next Steps

- Finalize arrangements with Town of Gila Bend
- Continue dialogue with Town and community regarding ongoing support and relationship